

WINNEBAGO COUNTY HOUSING AUTHORITY MINUTES

Tuesday, April 21, 2009

Marian Manor, 3:00 P.M.

COMMISSIONERS PRESENT: Mike Norton, Chairman
Patty Maehl, Vice Chairman
Rebecca Hackett

STAFF PRESENT: Brad Masterson, Executive Director
Su van Houwelingen, Business Manager
Kim Lynch, Executive Assistant

OTHERS PRESENT: None

- 1.) Chairman Norton called the meeting to order at 3:08 p.m.
- 2.) Chairman Norton directed the Commissioners to review the minutes of the regularly scheduled board meeting held on March 31, 2009. There being no questions or corrections, Ms. Maehl moved, seconded by Ms. Hackett, to approve the minutes of the March 31, 2009 meeting. Motion carried 3-0.

3.) **Finance**

a.) Accounts Payable

Chairman Norton inquired if there were any questions pertaining to the March accounts payable report that had been included in the packet. Ms. van Houwelingen explained that the entries for specific individuals are, for the most part, mileage checks for staff and for the return of security deposits when a tenant moves out.

b.) Operating Budgets 2009/2010

Ms. van Houwelingen explained that the biggest differences in the budgets are that now the COCC is taking an asset management fee and there is an estimated 8% increase for health insurance. Cost of living was budgeted with a 3% increase, but will be determined by the Board at the end of 2009. The operating subsidy that the HA will get is unknown at this point. So, based on what management has seen, 92% of what was requested was calculated into the budget. Capital needs budgets for the group homes have not been determined yet. If it is determined that capital improvements are needed, a capital budget will be prepared, presented to the Board, and sent to WHEDA. Ms. van Houwelingen and Mr. Masterson went on to explain that the HA has 413 vouchers, how the Section 8 voucher program works and how the HA's administrative fee is determined.

4.) **Report of the Executive Director**

a.) Old Business

i. Preservation Application for Tax Credits

Mr. Masterson explained that the application for tax credits would help to renovate Foxview and Riverside. Even though announcements were expected by April 15 regarding Tax Credit awards, there has been no word as of yet on the applications. A meeting with the director of WHEDA last week indicated that decisions would hopefully be coming next week. WHEDA is currently awaiting HUD regulations on the stimulus money that will give them some direction.

ii. Neighborhood Stabilization Program

Mr. Masterson stated that this stimulus money is to help buy foreclosed properties that could be acquired, fixed up if necessary and re-sold. There may be training coming up in Wausau in two weeks to review the rules and process for spending the NSP money. The HA still expects to receive about one million dollars for reinvesting in public housing. However, the rumor is that the City of Milwaukee is unhappy with their allocation and has contested the allocations for the rest of the state. This may be what is holding up contracting for the proposed awards.

b.) Public Housing**i. Single Family Disposition Application**

Mr. Masterson explained that the Agency Plan was sent in last week along which included the single-family disposition initiative that may include 16 single family properties. Based on a discussion with the manager of public housing in Milwaukee, it should be expected to take more than three months from the time the disposition application is submitted to the HUD Special Applications Center (SAC) before they complete action on the application.

ii. Energy Efficiency Improvements for Family Housing

Mr. Masterson reported that stimulus money has also been awarded for weatherization programs. The HA has contacted Advocap in hopes of being able to tap into some of that money to cover things such as new furnaces and fluorescent lighting for the WCHA Family units. Being able to tap into this money would free up other funds that could be used on other renovation items.

iii. Capital Fund Obligation for Masonic Temple Renovations

Mr. Masterson explained that, per a conversation with the Public Housing Manager at Milwaukee HUD, capital fund money can be spent on a COCC building, but that building must be an ACC (Annual Contributions Contract) property. This would require an Indenture of Trust Agreement with HUD for the property which gives HUD control over future disposition of the building. An environmental site assessment will need to be done which shouldn't pose any problems.

The solicitation is already out for the asbestos removal contract. There is asbestos flooring in the kitchen as well as one old steam boiler and the piping above it. The heating and air conditioning RFP for the basement and first floor has been put together and will be out for bids within the next week. A clear title is being sought to purchase the building as opposed to a quick claim deed.

Mr. Masterson also reported that the finance department has collected \$14,191.37 this year through the Tax Refund Intercept Program (TRIP). This is money owed to the HA by previous tenants/residents from damages, unpaid rents and money owed because of unreported income. The HA has utilized TRIP for a little over three years now.

c.) Assisted Housing**i. Rent Comparability Challenge & Delay**

Mr. Masterson stated that this is a Cumberland Court issue and asked the Board to disregard this item as it only pertains to the OHA. At the request of one of the board members, Ms. van Houwelingen explained what rent comparability was.

d.) Housing Vouchers

Mr. Masterson reported that the local Voucher program authorized at 413 subsidies is still over issued by 30 households. If the HA is over its allotted number of unit months at the end of the

year, it is not allowed to use any of its net restricted assets to cover payments. Net restricted assets can be used if costs go up more than what HUD has available in money as long as the HA has not gone over its unit months for the year. Currently, the HA has approximately \$60,000 in net restricted assets. The HA is already projecting that, even if the number of unit months can be driven down to using every unit month and not go over, at least \$30,000 will need to be used. So, if the HA's HAP costs go up even more because of client's hours getting cut or losing their job, the net restricted assets may not even be enough to cover those people. Options are starting to be explored as to how to bring the numbers down and more accurately forecast the dollars needed. One option is to take between ten and twenty of the least costly people out of the program and pay for them through the COCC to drive our unit month numbers down and not have that much exposure. It's somewhat early to do that, but the earlier people are removed from the program, the more accurate the forecasting will be. Staff has been informed to not tell applicants that they may be getting into the program in a year or two. It will be after January 1, 2010 before anybody gets into the program and then those people will be disabled persons. There are currently at least 100 disabled persons on a waiting list of 800 people. By the time the disabled persons are in the program, it will be half way into July of 2010 before the program may open up to everyone else via a lottery. This situation is an ongoing cycle every year. Ms. van Houwelingen explained that funding for the voucher program is based on the previous month's expenditures which differs from the annually fixed operating subsidy.

e.) Home Ownership Program

Mr. Masterson stated the biggest difference from what has been done in the past is that, because of the NSP money, the HA will actually be purchasing the properties, rehabbing them, and holding the properties until a buyer is found for them. In the past buyers were developed and they went out and found their own property. Hopefully, properties will not be purchased for which a buyer can't be found. Things are on hold pending the state's training which may be on May 11 & 12. This training will define the rules and process for spending the NSP money. The HA will have a meeting on Thursday with the cities of Neenah and Menasha and Habitat for Humanity Fox Cities and the block grant meeting for Neenah is tomorrow night. They will be setting aside funds to help with the administrative costs of the Home Ownership Program as well as some rehab help for Home Ownership clients. The HOME Funds were not impacted by any of the stimulus money. There has been no word yet on the state HCRI funding. Many people have signed up for the first time homebuyer education classes, so there are potential homebuyers who want to take advantage of the new forgivable tax credit.

f.) Commercial Leasing

Mr. Masterson stated that he had nothing to report this month.

- 5.) Mr. Masterson presented Resolution 552-09. This resolution approves the Earned Income Verification (EIV) Policy and Procedure. Ms. van Houwelingen explained the policy and Ms. Maehl moved, seconded by Ms. Hackett to approve Resolution 552-09. Motion carried 3-0.
- 6.) Mr. Masterson presented Resolution 553-09. This resolution approves the Independent Financial Audit Fiscal Year End 06/30/2008. Ms. van Houwelingen directed the commissioners to the audits that were distributed. Allowable levels in the reserve accounts were discussed. Ms. Hackett moved, seconded by Ms. Maehl to approve Resolution 553-09. Motion carried 3-0.
- 7.) Mr. Masterson presented Resolution 554-09. This resolution approves the 2009/2010 Operating Budgets. Ms. van Houwelingen pointed out that on page 16 of the Foxview and Riverside Budget, the mortgage should be \$260,000, not \$265,000. After noting the change, Mr. Maehl moved, seconded by Ms. Hackett to approve Resolution 554-09. Motion carried 3-0.

8.) Discussion**a.) News from HUD, WHEDA and WI Dept. of Commerce Bureau of Housing**

Mr. Masterson stated there is a lot going on in Washington, but the regulations are not firm yet. There has been nothing new regarding resolving the Year-One Stop Loss issue. WHEDA is expected to make some significant announcements soon, based on a regional meeting with Director Antonio Riley. One will probably be about trying to issue bonds to support the single family mortgage program. They were presumably the biggest lender in the state and had completely shut down last September because they couldn't sell bonds. One of the items discussed in the meeting with WHEDA was the constitutional prohibition against "bricks & mortar". The uniform taxation clause, makes it impossible for the state to have GPR revenue passed through a Home Program or for the HA to build an affordable housing project and get some money directly from the state because the state can't be involved in that transaction. WHEDA has been asked to look at the prohibition again because now there is a National Affordable Housing Trust. The Trust hasn't been funded as of yet because of uncertainty about profits of Fannie Mae & Freddie Mac. The workforce housing development project that Neenah is considering won't be addressed by the Housing Authority until the Court Tower, Foxview & Riverside projects get resolved.

b.) Marketing Intern - Americorps

Mr. Masterson reported that the HA is currently working with UW-O and has an intern who is assisting Justin Mitchell with the Family Self Sufficiency Program implementation. Because of the additional stimulus money, follow-up was made to get another intern through AmeriCorps, for a minimal application fee, to work on developing marketing materials for the different buildings. The person being actively considered for this position is the spouse of a current employee. This person would be an AmeriCorps employee assigned to the HA, not an HA employee.

In the event the commissioners hear any comments regarding municipal trucks at Mr. Masterson's house he disclosed a complication with landscaping at Marian Manor. Staff had rented equipment and was removing dirt, sod and shrubbery to make way for new landscape materials. When the maintenance staff hauled a load of the dirt to the landfill, they discovered it would be quite costly to dump remaining loads at the landfill. After seeking other possible "free fill wanted" sites to dump the dirt proved unsuccessful, the maintenance staff was given permission to dump the loads of dirt on Mr. Masterson's property so that work could proceed and hundred dollars in tipping fees could be avoided.

- 9.) There being no further business or discussion, Chairman Norton called for a motion to adjourn. Ms. Maehl moved, seconded by Ms. Hackett to adjourn the meeting. Motion carried 3-0. The Meeting adjourned at 4:30 p.m.

Respectfully submitted,

BRAD J. MASTERSON
Executive Director
Winnebago County Housing Authority

APPROVED